



Departmental Quarterly Performance Report

Department Name: Performing Arts Center Management Office (PACMO)

Reporting Period:
FY 2004
Second Quarter

I. Performance Initiatives	Page 2
II. Personnel Status	Page 6
III. Financial Performance	Page 7
IV. Department Director Review	Page 8

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MAJOR PERFORMANCE INITIATIVES (Describe Key Initiatives and Status) Check all that apply

The following performance indicators are intended to measure the Project's progress in relation to schedule and budget

Goal ED4: Create a more business-friendly environment in Miami-Dade County

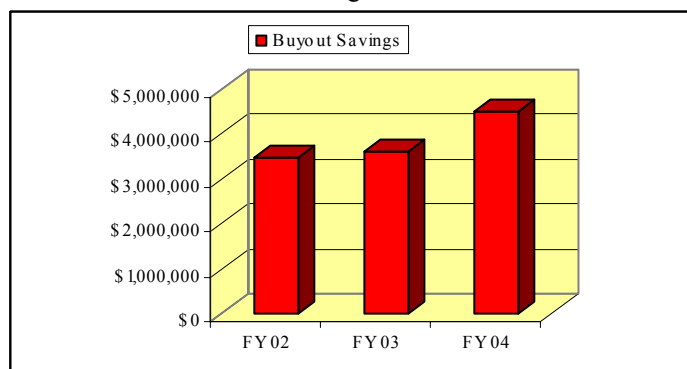
Goal ED1: Allocate County Government resources in support of activities that increase and diversify jobs and incomes while eliminating socio-economic disparities in underserved areas

Outcome ED4-1: Improved infrastructure and redevelopment to attract businesses to underserved and distressed areas

Outcome ED1-6: Greater cultural appeal of Miami-Dade County businesses

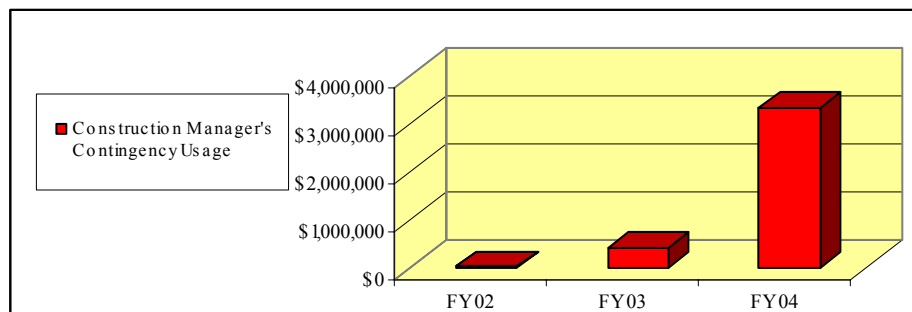
Objective: To monitor and track savings between the scheduled value of the subcontract and the actual price of the subcontract in order to realize actual savings at Substantial Completion (*however, this saving will fluctuate throughout the contract period, actual savings will not be reflected until Substantial Completion)

Status: The second quarter showed a net increase of \$922,626 primarily due to higher than anticipated insurance savings (worker's compensation, general and excess liability) in the Project's Owner Controlled Insurance Program.



Objective: To monitor and track the usage of the Construction Manager's Contingency to ensure tight cost control in order to realize shared savings at Project completion.

Status: The second quarter showed a net increase of \$2,886,188 primarily due to the Construction Manager using the Contingency as Temporary Funding Account to fund Disputed Work (R-445-03).



Objective: To keep the Project's completed YTD actual expense within the budgeted YTD Cash Flow based on FY 03-04 construction budget.

Status: The second quarter showed budgeted YTD cash flow was 35% more than what was actually paid to the Construction Manager (incl. Fee, GC, insurance, change orders, etc). This is due to the ongoing construction delays and the Construction Manager is only billing to keep pace with progress.

NO GRAPH/CHART

☒ Strategic Plan
☒ Business Plan
☐ Budgeted
Priorities
☐ Customer
Service
☐ ECC Project
☐ Workforce
Dev.
☐ Audit
Response
☐ Other _____
(Describe)

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Objective: To maintain the Project's overall contracted planned schedule of 1,097 days from October 15, 2001.

Status: The second quarter showed an additional 142 days of delay.

Contract Planned Schedule	1,097 days
Delay Days*	536 days
Projected Schedule	1,633 days
Elapsed Time	898 days
Percentage of work in place is 47% (including Change Orders and Direct Purchases) compared to 82% of time elapsed from the Contract Planned Schedule	

This is a preliminary estimate that is under review by PACMO and its consultants. A determination will be made of how much of an 'Extension of Time', if any, will be granted to PACB.

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The following performance indicators are intended to measure the Project's progress in relation to DBD Initiatives

Goal ED4: Create a more business-friendly environment in Miami-Dade County

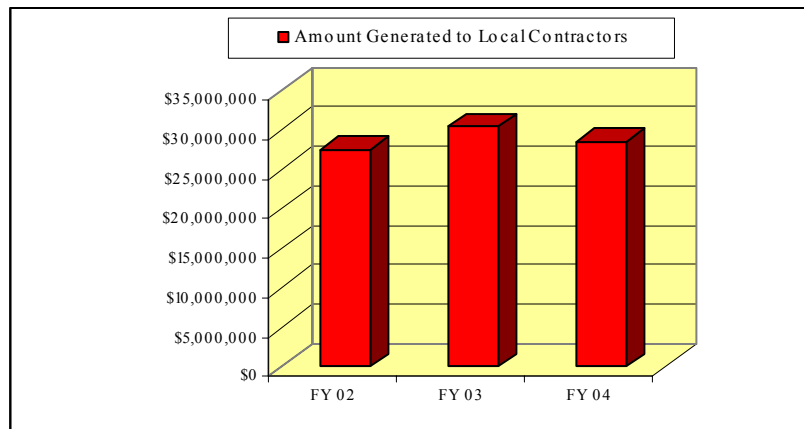
Goal ED1: Allocate County Government resources in support of activities that increase and diversify jobs and incomes while eliminating socio-economic disparities in underserved areas

Outcome ED4-1: Improved infrastructure and redevelopment to attract businesses to underserved and distressed areas

Outcome ED1-2: Increased number of county residents with the job skills to achieve economic self-sufficiency

Objective: To award 19.11% of \$217,100,590 or \$41,487,922 to local contractors via construction contracts.

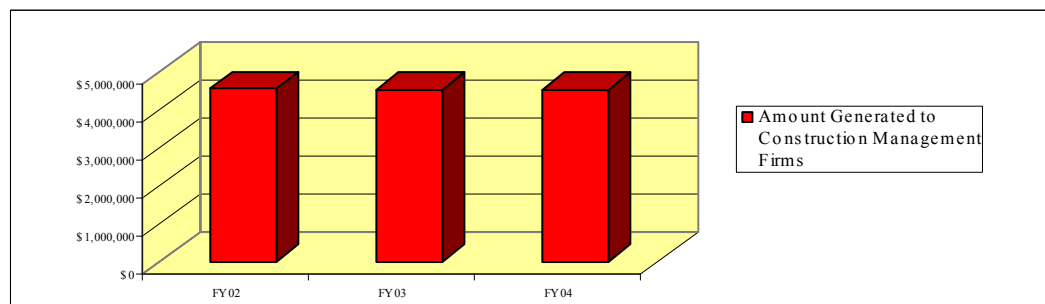
Status: The second quarter showed an increase of 1.25% or \$2,714,542 for a cumulative progress of 13.11% or \$28,456,635 towards the **Target of 19.11%.**



FY 04 shows a decrease \$4.8 M due to a disallowance of an award to Coreno Inc. because of their failure to perform CSBE Program Requirements, therefore these dollars were not counted towards the goal of 19.11%

Objective: To award 10% of \$37,549,014 or \$3,754,901 to construction management contracts.

Status: The second quarter numbers shows an increase of .01% or \$2,550. The Target of 10% has been achieved and surpassed the **Target of 10% by 21% or \$779,788.**



✓ Strategic Plan
✓ Business Plan
___ Budgeted
___ Priorities
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(Describe)

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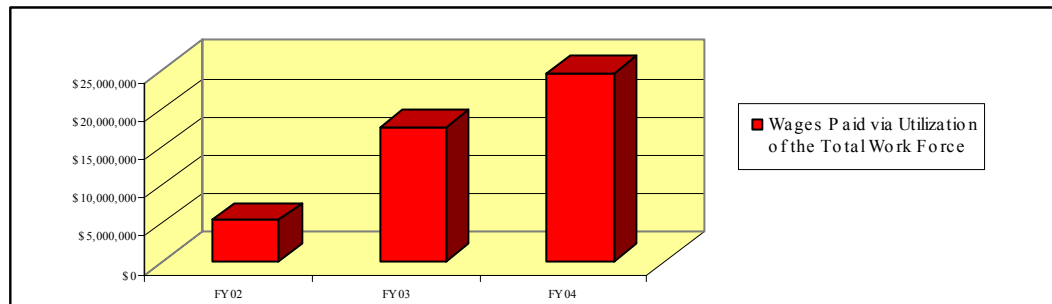
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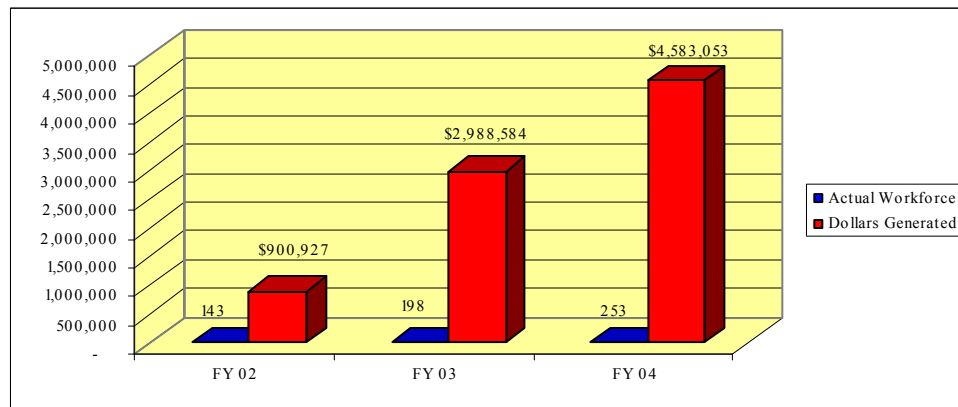
Objective: To pay \$42.0 million of wages for the total work force on the Project.

Status: The second quarter numbers show an increase of 7.03% or \$2,953,119 for a cumulative progress of 58.76% or \$24,681,254 towards the Target of \$42.0 million.



Objective: To hire 200 laborers from the local workforce.

Status: The second quarter numbers shows an increase of 28. The Target of 200 has been achieved and surpassed the **Target of 200 by 53**. The Project is currently working towards a new goal of 400.



✓ Strategic Plan
✓ Business Plan
___ Budgeted
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PERSONNEL SUMMARY

A. Filled/Vacancy Report

NUMBER OF FULL-TIME POSITIONS*	Filled as of September 30 of Prior Year	Current Year Budget	Actual Number of Filled and Vacant positions at the end of each quarter							
			Quarter 1		Quarter 2		Quarter 3		Quarter 4	
			Filled	Vacant	Filled	Vacant	Filled	Vacant	Filled	Vacant
	7	8	7 ⁽¹⁾	2 ⁽²⁾	7 ⁽¹⁾	2 ⁽²⁾	0	0	0	0

* Public Safety Departments should report the sworn versus non-sworn personnel separately and Departments with significant part-time, temporary or seasonal help should report these separately.

⁽¹⁾ PACMO has an overage of one position, transferred from GSA, and is currently, in a position titled Senior Assistant to the Director (approved by ERD and is an overage)

⁽²⁾ PACMO has two budgeted positions vacant, see below

Notes:

B. Key Vacancies – Assistant Director and a Senior Project Manager – these vacancies have been deleted from PACMO's TO for the next Fiscal Year. PACMO hired an outside consultant to assist in project management.

C. Turnover Issues - None

D. Skill/Hiring Issues – None for Second Quarter

***E. Part-time, Temporary and Seasonal Personnel
(Including the number of temporaries long-term with the Department) - None***

F. Other Issues

2 out stationed employees not reflected in the above.

1 – DBD- Compliance Specialist 2 – monitors CSBE and CESA Programs

1- DPD-Sr. Procurement Agent-monitors and administers the Direct Purchase Program

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Reporting Period: FY 2004, 2nd Quarter

Financial Summary (All Dollars in Thousands)

	Prior Year		FY 03-04 Budget **	Quarter 2		Year-to-Date				Comments
	Prior Years	Actual		Budget*	Actuals	Budget*	Actuals	\$ Variance	% of Annual Budget	
Revenues										
Bond Proceeds	159,704.99	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0%	
Non-Bond Proceeds	34,850.00	0.00	68,000.00	0.00	0.00	0.00	0.00	0.00	0%	
Interest Earnings	49,915.90	3,359.69	710.00	253.86	306.02	576.38	567.60	(8.78)	80%	
Grants	3,025.00	250.32	0.00	250.00	0.64	500.00	1.15	(498.85)	0% ¹	
Miscellaneous	303.12	24.45	26.00	6.60	6.79	13.20	15.86	2.66	61%	
PAC Operating Subsidy per Bond Docs.	0.00	1,400.00	1,400.00	0.00	0.00	1,400.00	0.00	(1,400.00)	0%	
Carryover	0.00	154,610.27	95,427.27	0.00	0.00	0.00	95,427.27	95,427.27	100% ^{N/A}	
Total Revenues	247,799.02	159,644.72	165,563.27	510.46	313.44	2,489.58	96,011.88			
Expenditures										
Salaries and Fringes (PACMO Administration)	3,736.90	1,119.72	1,242.00	310.50	245.28	621.00	467.47	(153.53)	38% ²	
Other Operating Expenses (PACMO Administration)	763.13	319.46	257.31	64.33	65.51	128.65	126.02	(2.64)	49%	
Capital (Construction and Project Related)	88,688.72	62,778.27	114,819.69	28,704.92	17,740.97	57,409.85	35,821.54	(21,588.30)	31% ³	
Total Expenditures	93,188.75	64,217.45	116,319.00	29,079.75	18,051.76	58,159.50	36,415.03			
Revenues Less Expenditures	154,610.27	95,427.27		(28,569.29)	(17,738.32)	(55,669.92)	59,596.86			

** Currently, PAC's approved Multi-Year Capital Plan is \$344.338 million; only FY 03-04 Budget is being shown for purposes of this report

* Expenditures may be reported by activity as contained in your budget or may be reported by category (personnel, operating and capital).

Equity in pooled cash (for proprietary funds only)

	Prior Year	Quarter 1	Quarter2	Annual Total FY '04	All Years
Fund Type/Fund/Subfund/Project					
• CB/360/008/368017 (Series '96)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
• CB/360/008/368018 (Series '96, interest)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
• CB/360/009/368017 (Series '97 B, interest)	\$69,200.12	(\$20,328.92)	(\$15,652.27)	(\$35,981.19)	\$33,218.92
• CB/360/009/368020 (Series '97 B, interest)	\$571.84	(\$571.84)	\$0.00	(\$571.84)	\$0.00
• CO/310/317/368017 (Private donations)	\$16,536.21	(\$923.54)	(\$691.89)	(\$1,615.42)	\$14,920.79
• CO/310/318/368017 (Miami Beach)	\$8,486.97	\$26.64	\$29.03	\$55.67	\$8,542.64
• CO/310/319/368017 (2/3 CDT)	\$8,338.41	\$17.26	\$21.83	\$39.08	\$8,377.49
• CO/310/320/368017 (PAC Subsidy CDT)	\$1,400.14	\$2.90	\$3.67	\$6.56	\$1,406.71
• Grants (interest to be returned to State)					
• CPCU01 - Bridge	\$50.44	(\$50.44)	\$0.01	(\$50.43)	\$0.01
• CPCU02 - Gateway Park (Closed)	\$4.17	\$0.00	\$0.00	\$0.00	\$4.17
• CPCU03 - Sears Demo. (Closed)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
• CPCU04 - Furniture, Fixtures, & Equipment	\$125.09	\$0.26	\$0.33	\$0.59	\$125.68
• CPCU05 - Theater Rigging	\$125.09	\$0.26	(\$124.70)	(\$124.44)	\$0.66
Total	\$104,838.49	(\$21,827.43)	(\$16,414.00)	(\$38,241.43)	\$66,597.07
GRAND TOTAL	\$104,838.49	(\$21,827.43)	(\$16,414.00)	(\$38,241.43)	\$66,597.07
PAYABLES	(\$9,411.22)	\$3,735.33	(\$1,324.32)	\$2,411.01	(\$7,000.21)
CARRYOVER	\$95,427.27	(\$18,092.10)	(\$17,738.32)	(\$35,830.42)	\$59,596.86

Equity in Pooled Cash does not include budgeted revenue because funds have not been provided as of this date; such funds include \$20M from the Performing Arts Center Trust, \$68M additional funding from the County; \$2.8M from the PAC Operating Subsidy, etc.

* All funds in Salomon Smith Barney (CB/360/009/368017) were transferred into County Pooled Cash in December 2002

Departmental Quarterly Performance Report

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STATEMENT OF PROJECTION AND OUTLOOK

The project has been under construction for 30 months. While the original schedule anticipated a substantial completion in October 2004, the current projection is for an April 2006 substantial completion. The project is currently 47% complete according to the latest billings from the Construction Manager. This, we believe, will require a very aggressive construction effort by the builder to meet its current projected schedule.

Over the course of the next year the buildings' stone and metal and glass exterior will be completed, along with the roof and mechanical trades. This will allow for the complete enclosure and "dry-in" of the buildings in anticipation of the construction of the interior trades in the final year.

During the near term the County, through PACMO, will work with Cesar Pelli & Associates (CP&A), project architect and Performing Arts Center Builders (PACB), construction manager, to resolve issues related to the schedule and requests for changes in the work.

From the standpoint of the County's private sector, the Performing Arts Center Trust will begin partnering with other regional and international arts and entertainment groups to begin producing and presenting programs in advance of the opening of the center to the public. It will also begin to produce programs and develop educational programs that build on and expand the existing audiences.

The Performing Arts Center Foundation will continue to pursue private sector donors, including a \$20.0million naming opportunity for the entire center. It continues to represent the interests of the four resident companies, who will perform at the center.

Notes and Issues:

(Summarize any concern or exception which will prohibit the Department from being within authorized budgeted expenditures and available revenues)

At this time the Project is estimating to be within the budget for fiscal year 2004 as outlined in the Multi-Year Capital Plan.

However, in order to complete the Project additional funding will be sought. The Project is currently in negotiations with the architect for a pending Amendment and is also holding mediation and dispute resolution proceedings with the Construction Manager. The outcomes of these negotiations and proceedings will determine the amount of additional funds the Project will need in order to complete the Center. The County Manager will seek approval from the Board of County Commissioners for additional funding by the beginning of the 3rd Quarter. As stated in PACMO's Business Plan Critical Success Factors for the Project include:

- ✓ Providing funds necessary to complete the project to the standard originally set. This will include providing funding for additional consulting services, adequate staff resources, construction scope increases and delays and to complete un-bought aspects of the project for which the County or the PACT are responsible;
- ✓ Hold PACB to the construction schedule so that it can be a reliable guide as to the completion of construction activities, upon which the private sector partners plan opening season events;
- ✓ Proper implementation of quality control program by the Construction Manager;

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- ✓ Resolution of cost issues through successful mediation;
- ✓ Provision of adequate design resources to supplement CP&A's efforts on site; and
- ✓ Fulfillment by the PACT and the Foundation of its obligations to the County in terms of fundraising and providing an achievable operating plan and within timetables provided for within the Operating Agreement and Cooperation Agreement governing these entities.

Critical to achieving the overall goal of PACMO to successfully complete the construction of the arts center will be a mid-term restructuring of the contractual relationships with the design team and the at-risk construction manager. This is necessary as a result of contractual ambiguities and inconsistencies between the contracts and to clarify certain issues whose interpretation has created conflict between the principal parties.

Pending cost disputes must be resolved and the County must review its budget against the projected needs of the project. Finally the County should not accept a schedule from the Construction Manager that it does not believe is achievable. Instead, the County will work together with the Construction Manager and the Architect to assure that the schedule provided can be met by all parties and that it can be relied on a completion target, while delivering the standard of quality originally intended.

DEPARTMENT DIRECTOR REVIEW

The Department Director has reviewed this report in its entirety and agrees with all information presented including the statement of projection and outlook.

Signature

Gail L. Thompson

Date _____